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China and the Contemporary World: A Summary of the Second World Congress on Marxism

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ABSTRACT

On May 5, 2018, the 200th anniversary of Karl Marx's birth, the Second World Congress on Marxism was held at Beijing University. The congress covered five main topics: financial capital and the crisis of capitalism in the modern world; the dysfunction of neoliberal ideology and politics; the contemporary value of Marxism; the evaluation of and perspectives for Socialism with Chinese Characteristics; and the work of the compilation and research center *The Documents of Marxism*. Distinguished scholars from more than 30 countries contributed their views at the congress.

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On May 5, 2018, the bicentenary of the birth of Karl Marx, the Second World Congress on Marxism was held at Beijing University, the first place in China where Marxism was studied and discussed. More than 1100 participants were present, including more than 120 international scholars from more than 30 countries on five continents. During the congress, the scholars took part in lively discussions on the relationship between China and the contemporary world. Distinguished scholars including Samir Amin, former Prime Minister of Italy Massimo D'Alema, Özgür Orhangazi from Turkey, Frédéric Boccara from France, Jan Otto Andersson from Finland, Fathi El Koleib from Palestine, Patrick Theuret from France, David Kotz, Michael Hudson, Dmitry Shlapentokh from the US, Evita Jiménez from the Philippines, Adam Hersh from the Center for America Progress, Adham Sayed from Lebanon and the Chinese scholars Li Shenming, Gu Hailiang, Yu Hongjun, Ding Xiaoqin, Xu Jiankang, Chen Shuguang and Song Lidan provided illuminating opinions on the systemic crisis of capitalism in the modern world, as well as comments and perspectives on Socialism with Chinese Characteristics.

I. Financial Capital and the Crisis of Capitalism in the Modern World

Addressing the systemic crisis of capitalism in the modern world, the scholars discussed such topics as the financialization of capitalism in contemporary Western countries, the predatory accumulation of financial capital, the nature of the capitalist crisis in the West, anti-globalization tendencies in the Western world, the new directions of globalization in the present century, and so forth.

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Analyzing the financialization of capitalism in the contemporary Western world, Professor Samir Amin from Egypt noted that present-day monopoly capital is controlled by financial capital, and that financial capital is controlled in turn by a tiny minority of the world's population. For most of the developed countries, the system is not sufficiently dynamic. Also, the gap between rich and poor cannot be narrowed by any so-called rational policy, and there is no solution to the internal crisis of capitalism. Financialization has arisen as a response to the crisis of capital accumulation in capitalist society. With the gaps and disparities growing, new sectors are needed to absorb the surplus capital, which leads to financialization. Nevertheless, financialization not only fails to solve the problem of surplus capital, but also creates a host of new problems. Professor Stavros Mavroudeas from Greece argued that contemporary capitalism is entirely dependent on financial capital. He maintained that under these circumstances, economists of all schools, whether post-Keynesians, Marxists, or from the mainstream of economic science, are all compelled to use the financialization hypothesis as the key to analyzing capitalist economic reality. His hypothesis claims that financial capital is completely different from productive capital, and is able to reconstruct other forms of capital. The dominance of financial capital is realized through shadow banking. In the context of financialization, the operations of companies are directed toward maximizing the benefit to stockholders. Institutional investors occupy the leading positions, and financial exploitation becomes the chief mechanism through which exploitation takes place. Companies focus exclusively on the benefits accruing to stockholders, which requires the managers to pursue short-term stockholder interests. This type of economic behavior is completely contrary to the long-term strategic interests and overall development of the economic entities concerned. As financialization proceeds, household debts come to be included in the operations of the financial industry, and the middle class as well as the wage-earning class becomes caught in a web of exploitation created by financial institutions such as credit and insurance corporations. The new structure of financialized capitalism is authoritarian in nature, and this adds to the problems. Under the conditions of financialization, a major source of crisis phenomena lies with the opportunistic practices of financial groups, practices which in turn affect the entire real economy.

A second key feature of modern capitalism is the predatory accumulation of financial capital. Former Prime Minister of Italy Massimo D'Alema pointed out that the greatest wealth stays in the hands of the super-rich right from the point where it is generated, but that the incomes of ordinary people have not increased, which has resulted in growing social disparities and inequality. In the United States, profits have kept rising. In 1960, the financial sector accounted for 14% of the total profits of American companies, while in 2008 this figure already reached 39%. Some 44% of the world's wealth is owned by less than 1% of its population, while 70% of the population holds only 3%. Today's world appears ever further from dealing with the antagonisms that result. The United States is now resorting to protectionist and nationalistic measures to counter global competition. Around the world, national and religious differences have been unscrupulously exploited, bringing numerous deadly conflicts. Özgür Orhangazi, from Turkey, noted that the proportion of American wealth represented by intangible assets such as copyrights, trademarks and patents has increased, feeding the growth of monopoly and helping to explain why the profitability of most investments is low. The possession of such intangible assets as patents allows particular enterprises to exercise monopoly powers across whole

industries, and to reap high profits. Ownership of copyrights and trademarks gives companies the power to set prices in what once were competitive markets. In addition, intangible assets become obstacles to market entry, something that is especially true in high-technology industries. The cost of creating a copyright, for example, may be zero, but copyrights are of great importance in the American economy, and make up a significant proportion of asset equity. Companies that invest in intangible assets may achieve dominant positions in the market, enjoying high profitability, though their investments also tend to fuel stagflation.

Third, scholars addressed the nature of the crisis of Western capitalism. Samir Amin maintained that we should distinguish between the concepts of crises within capitalism and the crisis of capitalism. The crisis we are now experiencing is not a crisis within capitalism, but the crisis of capitalism. The solution to the crisis is for human beings to surmount capitalism, and this requires overcoming capitalism's systemic crisis. The capitalism system has currently entered a long-term recession. This present crisis will have huge impacts on human beings and their nations and societies, as well as on people's psychology. Imperialist countries such as the United States, Japan and the countries of Western Europe still play leadership roles in the world, but since 2007–2008 they have undergone a huge economic crisis. Currently, the world is not in an age of peaceful competition, democracy and economic prosperity, but of violent conflicts that may, although nothing is certain, lead to revolution. It was economic crisis that gave rise to Fascism and that led to the Second World War. After that war, many countries in Asia, Africa and Latin America became independent precisely through revolution, which represented their response to economic crisis. Song Chaolong from China argued that a contradiction exists between the productive logic of financial capital and the nonproductive logic. When a crisis of productive financial capital occurs, Song Chaolong explained, an attempt is made to solve the crisis through nonproductive accumulation; this, however, cannot solve the crisis, but simply causes a more serious economic crisis to appear. The logic of the productive accumulation of financial capital means that financial capital accumulates through revolutions in the areas of production, circulation and credit. The nonproductive logic of financial capital means that financial capital represents an accumulation of parasitism, deprivation and destructiveness resulting from monopolization of the power to determine prices and land rents, from speculation in capital markets, and so forth. The inherently contradictory logic of financial capital constitutes the root cause of economic crisis.

Fourth, participants in the congress discussed anti-globalization trends in the Western world. The crisis of United States hegemony has plunged the United States into a reactionary opposition to globalization. Song Chaolong contended that neoliberal policies have provided impetus to the nonproductive accumulation of financial capital, have enlarged the power of the parasitic group represented by the financial aristocracy, and have increased the cost of industrial capital, while leading to the transfer of manufacturing industries to developing countries and aggravating unemployment in the developed world. These policies thus represent an important reason for the rise of the New Populism in Europe and America and for the reversal of globalization. The hegemony of the United States is declining, and the center of world power is gradually shifting. Professor Chen Shuguang maintained that since 2008, and especially since Trump was elected as US president in 2016, anti-globalization tendencies have been growing stronger, and the struggle between unilateralism and multilateralism has intensified. Researcher Xu Jiankang from

China observed that over the past five or six hundred years of world history hegemonic powers, when their dominance has been at its height, have advocated liberalization of trade and investment; then, after their hegemony has declined, they have switched to supporting protectionism. Trump's policy of exacerbating contradictions in the world is thus a manifestation of the decline of US hegemony.

Fifth, the scholars exchanged views on the new direction in which globalization is trending, and the new era it is about to enter. Frédéric Boccara from France argued that we need new systems in order to overcome financial problems. Human society needs a new international direction, in place of the one established by the United States. The crisis has brought about a transformation of the political and economic system, a crisis that no government has so far resolved; in these circumstances, it is up to the world's communist parties to find answers. Li Shenming from China maintained that capitalism has gone through three stages, the first of them being the era of commercial capitalism, the next the era of industrial capitalism, and the third that of financial capital. Humanity is now living in the era of financial imperialism, described by Lenin as parasitic and decadent capitalism. In the next twenty or thirty years, the world will enter a period of great turbulence and reorganization, even a revolution. Massimo D'Alema pointed out that the financial and economic crisis of 2007–2008 exposed the conflicts and vulnerabilities of uncontrolled globalization. Many people began to adopt a skeptical attitude toward globalization, and nationalists as well as other conservatives gained new audiences. The crisis of neoliberal capitalism has led ultimately to a right-wing solution, demonstrated through the actions taken by President Trump, and this may open a dangerous epoch full of conflicts and tension, that may eventually result in a new cold war. Samir Amin noted that dialogue on the basis of equality does not exist in the age of globalization. Inequality in society, the gap between rich and poor, results in the rise of oligarchic politics. The media too are controlled by capital, and have become the mouthpieces of financial oligarchies. The crises also result in changes to the nature of imperialism. There is an imperialist group globally, which is the collective imperialism of the United States, Japan and Europe.

II. The Dysfunction of Neoliberal Ideology and Politics

In reflecting on and criticizing neoliberal ideology and politics, the scholars addressed such topics as the masking by neoliberalism of the logic of capital; its aggravation of the inherent contradictions of capitalism; the bankruptcy of the neoliberal myth of the middle class; the effect of neoliberalism in plunging Western democracy into crisis; the falseness of the neoliberal concept of the ultimate pattern of human history, and so forth.

Taking up the issue of the masking by neoliberalism of the logic of capital, Aleksandr Buzgalin from Russia first suggested that from the viewpoint of liberalism, there are no poor people in the world, only lazy ones. If you are poor, it is because you do not work hard enough; either you do not want to be employed, or you do not want to start your own business. In Russia, there are hundreds of thousands of ordinary teachers who work in poor villages. They may earn only a few dollars a month, but they work very hard. Meanwhile, there are rich people who commit numerous crimes. What accounts for such a discrepancy? After the dissolution of the Soviet Union, and the restoration of capitalism, the crime rate in Russia reached vast proportions. These facts cannot be explained by the hypotheses of liberalism. Samir Amin observed that capital systematically

depoliticizes human beings; it makes them believe they are free, while they are just consumers, not citizens or producers, which amounts to a flexible fascism. The reason why it may be described as flexible fascism is that it does not need people to support it voluntarily, but merely to accept it passively.

Second, the participants in the congress explored the ways in which neoliberalism has aggravated the inherent contradictions of capitalism. Massimo D'Alema pointed out that from the end of the Second World War until the 1980s, European countries applied the policies of Keynes and social democracy, with the effects including wealth redistribution and gradual reductions in social inequality. Economic development was supported mainly by investment and innovation, and this was beneficial for improving people's living standards and promoting social mobility. In the neoliberal age of deregulation and globalization, the social model has come to center on the redistribution of accumulated wealth. This model is dominated by financial speculation. Under neoliberalism, finance is no longer a tool serving the development of productivity, but instead leads to distorted development. Financial speculation forces enterprises to accept the logic of short-term profits, which makes it very difficult to plan for medium and long-term development. Increases in the money supply do not lead to higher investment, and especially, do not generate strategic investment. Speculative finance ultimately undermines the development of productivity and of the real economy, thus aggravating the conflict and breaking the cycle between economic growth and income redistribution. The shift of wealth from workers to the financial oligarchy has had an impact on demand, lowering the consumption levels of workers in America and Europe. To support demand, financial capital resorts to bolstering consumption through low-interest credit policies; as a result, the debts of households in the United States have increased abruptly, and financial bubbles have repeatedly arisen. These bubbles eventually collapse, with dire consequences not only for the banks, but also for the real economy. These were the circumstances that surrounded the financial crisis of 2008.

Third, the scholars discussed the bankruptcy of neoliberalism's myth of the middle class. Liberalism, as a mechanism for its support, has nurtured the fantasy that the liberal policy system will bring about a middle class society, and that the middle class is the foundation of Western social prosperity, political democracy and liberal values. But in reality, the rule of financial capital leads to social differentiation and the decline of the middle class. Professor Ding Xiaoqin from China pointed out that since the financial crisis in the United States, pensions in Western countries have been reduced to various degrees, education funding has been cut, and university tuition and fees have risen faster than the CPI (consumer price index) over the same period. All of these moves have directly worsened the circumstances of the middle class. Song Lidan from China noted that since the beginning of the great recession in 2008, a crisis of the middle class has emerged, and that more than 90% of the people who have applied for bankruptcy in the United States are from the so-called middle class. The gap between rich and poor has widened. Nordic countries are often considered the most equal in the world, but more than 50% of their national wealth belongs to the wealthiest 10%. In most European countries since 2008, the proportion of wealth owned by the poorer half of the population has been less than 10%, and generally not more than 5%. In 2014, the wealth of the 85 richest people in the world was equal to the total wealth of the 3.5 billion who made up the poorer half of the world's population. The middle and lower classes have become poorer, and the

rule of financial capital makes the lives of the middle class almost unbearable. In the US, 69% of adults in 2016 had less than 1000 dollars in savings. The social structure of contemporary capitalist society still resembles a pyramid.

Fourth, participants examined the ways in which neoliberalism has plunged Western democracy into crisis. Jan Otto Andersson from Finland explained that through globalization, neoliberalism compromises the power of the state. In the modern state, it is necessary to levy taxes on capital in order to guarantee education and medical treatment. But because globalization weakens the power of the state, the ability of the country to regulate crises is greatly reduced. If capital in practice is completely free, it becomes very difficult to levy appropriate taxes on it, especially since capital is now extremely mobile, moving rapidly about the whole world. Massimo D'Alema also discussed the equity aspects of democracy. The issue of inequality is not just limited to the unfair distribution of wealth, but involves the distribution of knowledge and power. According to Marx, one of the characteristics of modern society is the conflict between political equality in the abstract and the actual inequality inherent in the relations of capitalist production. The political system does not rectify the malfunctions of the market, but instead reinforces them. Financial groups, including huge technology and data monopolies, control or heavily influence national opinion, and this ultimately distorts the practice of democracy. Increasingly, the American political system runs on the basis of one dollar one vote, rather than one person one vote.

Fifth, scholars noted the falseness of the neoliberal concept of the ultimate pattern of human history. Massimo D'Alema recalled that in 1992, after the fall of the Berlin Wall and the end of the Soviet Union, American philosopher Francis Fukuyama published a book entitled *The End of History and the Last Man*[1], proclaiming that a new era had dawned and that an irreversible trend had emerged. In the book, Fukuyama argued that following the downfall of communism in Europe the market would end social conflict, unifying the world on the basis of the cultural mode represented by liberal Western capitalism. This outlook was rooted in the so-called theories propounded in the 1980s by US President Ronald Reagan and British Prime Minister Margaret Thatcher. Economic globalization then developed on the basis of neoliberalism, with little reflection or criticism. The world's left was also influenced by the culture of neoliberal triumphalism, reflected especially in the proposition of the so-called "third way." Today's world, however, has almost nothing in common with the predictions made by the prophets of neoliberalism. Fathi El Koleib from Palestine pointed out that while Fukuyama believed that capitalism would represent the ultimate pattern of history, others definitely do not share this view. On the one hand, liberal theorists have different interpretations of capitalism, and on the other, the dissolution of the Soviet Union did not represent the collapse of socialism itself.

III. The Contemporary Value of Marxism

In recognizing the value of the theories of Marxism, the scholars argued mainly from such perspectives as the value of Marx's *Capital*[2] for understanding capitalist reality in general, and specifically, for gaining a grasp of financial capital; for assessing the validity of Marxism's critique of neoliberalism; and for reaffirming the enduring worth of the Marxist theory of socialism.

The first topic to be addressed was the value of *Capital* for understanding capitalist reality. Samir Amin emphasized that Marx's *Capital* provides a powerful scientific analysis of capitalist society. Marx was a great thinker, and his writings continue to help us understand the contemporary world. In the first place, Marx's labor theory of value laid the foundation for our understanding of modern society. Labor, along with the value of labor, dominates every aspect of modern life. Second, capital in its pursuit of surplus value has fallen into a fundamental contradiction: on the one hand, capital seeks constantly to reduce wages, while on the other, it is compelled to try to increase the amount of its investment. As a result, the system is not durable. Third, the thrust of capital accumulation is toward creating a global market. Within capitalism's global expansion, Marx believed, polarization is an essential feature. In his old age, Marx considered whether it might be possible to circumvent capitalism in the underdeveloped countries of the East. These viewpoints of Marx are central to the basic logic required if we are to understand the modern world. David Harvey was another who emphasized the theoretical value of *Capital* for understanding capitalist reality. In *Capital,* Harvey noted, Marx identified the deep-rooted structural contradiction of the capitalist system. Capital depends on the purchase of labor. Because of the pursuit of surplus value, working hours are extended, and the status of workers is degraded. Marx paid special attention to surplus value. In the first volume of *Capital,* he also expounded on the relationship between human beings and nature. We depend on nature to provide us with resources, but at the same time there are people who treat nature destructively. With the development of urbanization, human beings have implemented a great many transformations, and these are resulting in changes to the climate and environment. In the second volume of *Capital*, Marx devoted a great deal of effort to explaining how value is realized. Important sections of the book discuss production time, circulation time and turnover time. The more rapidly capital circulates, the easier the capitalist concerned finds it to outcompete his or her rivals. The more rapidly production occurs, the faster the rate of consumption needs to be, which implies the need to encourage consumerism. The third volume of *Capital* expounds on the question of distribution. In this area, a key issue for a country is the state of its finance system. Within the finance system there is always a sort of invisible secret power that constantly adjusts its own strength. Harvey pointed out that it is essential to challenge capital, and not just to challenge particular aspects of capital, but the whole system. A different solution is needed, and this is a question for the think tanks to reflect on. Although some environmentalists imagine that environmental problems can be solved without challenging capital, this is impossible.

Second, the conference participants discussed the value of Marx's *Capital* for understanding how financial capital functions. Massimo D'Alema pointed out that the analysis of financial capital does not represent a core element within Marx's works. It was at a later stage in his life that Marx became interested in exploring the functions within the capitalist system of the London financial industry, and began making a deliberate study of finance. He took up the effect of credit in the third volume of *Capital,* which he did not complete. The value of fictitious capital is generated entirely from the capitalization of income, and is not supported by actual productive activity; in his analysis of fictitious capital, Marx thus depicts an aspect of capitalism that involves neither production nor the employment of human labor. In modern times fictitious capital has expanded enormously, and the financial capital of today is not the same as that described by Marx in the nineteenth century.

Nevertheless, Marx's intuition helps us to understand the reality of globalization, the laissez-faire nature of capital, and the implications of financial deregulation.

Third, the scholars addressed the validity of Marxism's critique of neoliberalism. Massimo D'Alema suggested that Marxism offers a unique lens for gaining insight into neoliberalism; it is only through Marxism that a globalized world can be interpreted. Unregulated capitalism is dominated by the mechanisms of the market and profit, and this leads to unsustainable conflicts, instability and the risk of war. The market cannot solve the main problem we face in the twenty-first century, which is the unrestricted and fast-changing nature of economic development. We need to make a comprehensive analysis of economics and politics, and to overcome the dogmatism of neoliberalism. In fields where the market cannot provide solutions, the political process will take over its role, ensuring investment, redistribution, medical care, labor protection and so on. In addition, international coordination needs to be strengthened. To use a traditional expression, what we need is a new kind of internationalism. We need to rectify the distortion brought about by international financial capitalism, and to find a reliable alternative. A regulated globalization is needed, one that can promote harmonious development and realize the compatibility between humankind and nature. We need to reverse the current trend in the global economy, and in the meantime we are facing an unprecedentedly challenging task, one that is tougher than ever. In this period, we should seek to deepen our understanding of Marxism. Marx lays stress on the importance of politics, and on the impact that politics makes on the cultural level; he emphasizes the importance of state authority for revamping the economy and ensuring vigorous growth. These represent potent intellectual resources for the criticism of neoliberalism.

A fourth topic examined was the value of the Marxist theory of socialism. Samir Amin observed that the political, economic, psychological and cultural conditions created by financial capitalism require people to transcend capitalism and advance in the direction of communism, as a more advanced stage of human society. Many people currently regard communism as a Utopia, but it will be realized in the future. Massimo D'Alema pointed out that as foreseen in *Capital*, the scientific and technological improvements achieved through capitalism have proved essential for allowing further progress. *Capital* predicted the automation of the production process, the end of the basic function of direct labor in wealth production, and the growing importance of knowledge and expertise. Artificial intelligence and robotics can greatly reduce the time needed to produce commodities. However, under the conditions of capitalism, the growth of productivity benefits only a few people, while the reduction of labor time leads to the unemployment of millions. The revolution of science and technology must be utilized to improve people's quality of life, to reduce and reallocate work time, and to increase people's degree of freedom. These effects, of course, will also be the consequences of political actions. The starting point for Marx was to adopt a critical methodology in order to expose the contradictions of capitalism. Marx was a great thinker, who developed an innovative approach to the study of human history, an approach that can be further applied to interpreting social conflicts that have a significant impact on politics throughout the world. The interpretation of Marxism should be freed from the bounds of mechanistic thinking. We should read and frequently reread Marx's works; only in this way can we rediscover the richness of his thought, and explore the critical perspective it offers for today's society. In the face of numerous challenges, Marxism encourages us to fight persistently to change reality and create the future.

IV. The Evaluation of and Perspectives for Socialism with Chinese Characteristics

In making their evaluation of socialism with Chinese characteristics, the scholars mainly discussed such topics as the productive logic of the socialist system; the potential of the socialist system for overcoming the logic of unproductive accumulation that is innate to financial capital; the ability of the socialist system to transcend the logic of financial capital, its contradictions and its cyclical crises; and the ability of socialism with Chinese characteristics to contribute to the international socialist movement. They noted the value of socialism with Chinese characteristics as a model of modernization for developing countries; the competitive strength of socialism with Chinese characteristics in the context of globalization; and the great importance for China of putting forward the concept of a shared future community of humankind.

The scholars began by pointing out the productive logic of the socialist system. Professor Zhang Hui of Beijing University noted that China's great achievements have frequently been attributed to the continuing recognition in Marxist economics of the primary role of the principle of production. When discussing the relationship between production, distribution, exchange and consumption, Marx always stressed the importance of production, and in China's economic strategies, production has always been assigned the leading place. Especially since 1998, the rate of economic growth in China has been more than three times the figure for the corresponding period of industrialization in the United States, and more than twice the rate achieved during Japan's industrialization during the 1950s and 1960s. What is the reason for China's exceptionally rapid development? It is that it always identifies production as the central principle. Professor David Kotz argued that during the time of Mao Zedong, China established a mighty foundation for its development after 1978. Professor Lin Yifu of Beijing University maintained that the failure of socialist states such as the Soviet Union did not result from the essence of socialism. After the Second World War, the socialist states were surrounded by capitalist countries, and their development violated the principle of comparative advantage. The rapid development of China has proved that under the socialist system, if a correct development and transition strategy is applied, a socialist country can develop better than a state that remains under the capitalist system.

Second, the participants in the congress discussed the ability of the socialist system to overcome the logic of the unproductive accumulation of financial capital. Under the economic policies of liberalism, the accumulation of financial capital leads to rising prices for real estate, to the prevalence of stock-market speculation and to the increasing strength of the parasitic stratum. Only under the socialist system can we solve the problem of the unproductive accumulation of financial capital. Samir Amin pointed out that although China has experienced many dilemmas over the past 70 years, the peasantry, the proletariat and the middle class have formed a coalition based on the non-commercialization of land. China is under pressure from financial globalization, and international financial capital is demanding that the principle of the non-commercialization of land be abandoned. If China rejects this principle, there will be no hope. Professor Michael Hudson from the US pointed out that in the third volume of *Capital*, Marx contended that society did not need landowners. Facilities such as educational institutions, railways and hospitals should be jointly owned by society and should not make profits, so as to reduce costs and

increase competitiveness. Socialist governments invest in public utilities, roads, electricity and other departments; they aim to build infrastructure not for profit, but to reduce the cost of living and to lower the cost of doing business. That is why the US government was worried about the rise of socialism after 1945.

Third, the scholars pointed to the ability of the socialist system to transcend the logic of the contradictions of financial capital and of capitalism's cyclical crises. Researcher Song Chaolong stated that the Chinese model has allowed the establishing of a socialist market economy system that fully utilizes the productive logic of capital. The coexistence of various economic components, with public ownership as the main element and with active regulation by the state, has allowed the Chinese model to overcome the contradictions of financial capital, and has permitted China's socialist modernization to record successes much greater than those in Western countries. Professor Kotz pointed out that according to free-market economists, a key obstacle to China's development lies in the scale of state-owned enterprises and in the government's excessive intervention in the economy. But in Marx's view, the government should guide the development of the economy through regulation of the financial sector and through investing more in infrastructure. Professor Yu Hongjun of Beijing University maintained that the secret behind the success of the Chinese model lies in the fact that China has chosen different economic systems at different stages of economic development. The best institutional arrangement for poor and backward socialist states is to choose the planned economy system at the early stage of industrialization, and the market economy system in the middle and later stages. China achieved remarkable progress using the central planning system. However, central planning also has drawbacks. First, we need to have extensive and accurate decision-making information. Second, we need to constantly generate sufficient incentive mechanisms. When China arrived at the stage of middle-to-late industrialization, it carried through its marketization reform in timely fashion. Enterprises and consumers make decisions quickly on the basis of market information, and the main body of the market always includes full incentives. The correct choices that have governed China's economic system throughout different periods have ensured the sustained development of China's economy over more than 70 years.

Fourth, the scholars reflected on the ability of socialism with Chinese characteristics to improve the work of the international socialist movement. Patrick Theuret from France considered that China's socialist practice had far-reaching significance for the internationalization of socialism. First, China's experience and its interpretation of Marxist theory have great importance for the whole world. Socialism represents a unique path of development, and there may be some detours or setbacks involved in this process. However, there is ample proof that the Communist Party of China (CPC) has the ability to overcome these setbacks and to maintain rapid development. China has its own national conditions, and these conditions are continuing to change. The Communist Party of China is adapting to these changes, and this was reflected in the 19th CPC National Congress. Dmitry Shlapentokh from the US commented on the achievements of China. He began by arguing that Western capitalism has reached the peak of its social development. The Western world is also going through dramatic changes, which may lead toward a gradual transformation to socialism. In non-Western civilizations, traditional lifestyles and habits provide the soil for the development of non-capitalist society. These societies demand that their cultures and national distinctiveness be validated and protected through the taking of a more

independent, innovative and scientific approach. Second, Lenin regarded the most important objective as being to establish the connection between socialist economic construction and political construction. It is necessary to get rid of capitalism and imperialism, and to advance toward the socialist and communist future. Third, socialist construction needs to handle successfully the challenges presented by historical burdens, market mechanisms and people's attitude to daily life. Fourth, we are now facing a new historical environment, and need to act together to impel the socialist movement forward. Of course, each country has its own development path, because each nation has its own civilizational background. The basic principles of Marxism retain a powerful vitality and applicability, and the key issue is whether Marxist philosophers and politicians can develop the potential of Marx's ideas. For the present, we still have a lot of unfinished tasks. The process of evolution from capitalism to socialism is profoundly dialectical. Socialism with Chinese characteristics is the primary reason that accounts for the success of China.

Fifth, the congress participants considered socialism with Chinese characteristics as a model for the modernization of developing countries. Moataz Elhefnawy from Egypt explained that his country's Communist Party has been studying the Chinese experience. China, he pointed out, fulfills a comprehensive guiding function in relation to other developing countries. The Communist Party of Egypt has been learning from China's successful development. Carefully studied and interpreted, China's experience should be used as a reference for other countries. Evita Jiménez from the Philippines pointed out that socialism with Chinese characteristics has universal significance for solving the problem of poverty, and that the Philippines should learn from China in the area of poverty reduction. Poverty is a massive problem in the Philippines. After hundreds of years of colonialism and semi-colonialism, the socio-economic structure of the Philippines is still dominated by a small number of wealthy families. At present, 75% of the Philippines population is in the low-income bracket. Second, the structures of democracy in the Philippines are borrowed from the US. Both the government and the people, the wealthy elite and the low-income classes, all welcome this democracy. However, these structures also bring with them the problems of bureaucracy and of land ownership concentration. The success of China in reducing poverty is scientifically based, and is very instructive for the poverty-stricken in the Philippines. The proportion of the Chinese population living in poverty has dropped from 70% in the 1990s to about 20% in 2014. How is it that China has managed such an achievement? It is because China has made poverty reduction an important national policy, and has implemented well thought-out measures to promote economic modernization, industrialization and the development of science and technology. All these practices need to be used as reference-points by the Philippines. The localization of Marxism should become a guiding principle. The Philippines needs to seek appropriate methods, learn from the experiences of China and act vigorously to reduce poverty.

Sixth, the discussion turned to the competitive strength of socialism with Chinese characteristics in the context of globalization. Professor Adam Hersh from the Center for American Progress observed that the structure of accumulation dominated by neoliberal policies faces acute dilemmas, while the corresponding structure in China is developing rapidly. At present, most international organizations are dominated by the United States, but with the improvement in its comprehensive national strength and its ever-increasing influence in the world, China is gradually taking action to challenge the existing international order. One example of this is the Belt and Road Initiative. China is playing an

increasingly important role in the construction of mechanisms for international collaboration. More attention should in future be paid to China as efforts go ahead to reform the global order, and to build new international institutions based on socialism and a common destiny for humankind. Samir Amin predicted first that as allies of the US, Europe and Japan would not accept China as a force of primary significance in the global landscape. In earlier times the Soviet Union, Russia and a number of other European countries all made concessions in order to be accepted by the Western world, but all suffered destruction in the end. China can therefore expect to face various forms of pressure from the imperialist countries. Second, the imperialists intend to eliminate the advantages that China enjoys, and have long been planning to separate Xinjiang and Tibet from China. Third, as long as China does not participate in the globalization of neoliberalism, it can avoid certain changes and lessen the turmoil brought about by the current crisis, such as the financial crisis that began in 2007. Some parties in Europe and the US hope that China will join in the globalization of neoliberalism, but if this occurs, it will have disastrous consequences. The achievements in China will be in vain, and China will face the same outcome as Russia. Fourth, although China over the past 70 years has undergone many twists and turns, the alliance of the peasant class, working class and middle class has held firm. The foundation of this alliance is the refusal to trade the land as a commodity. Fifth, China is currently facing the pressure of financial globalization, and standing up to this necessitates that the earlier-mentioned principle, of rejecting trade in land as a commodity, should not be abandoned. If China rejects this principle, there will be no hope. China will not be accepted by the West, and will not become a recognized great power in a so-called peaceful world. Aleksandr Buzgalin expressed the view that the countries of the former Soviet Union made a fundamental mistake in pursuing neoliberal reform, and are facing a very bad situation. The economic growth rate in Russia is close to zero. It is very hard to conduct Marxist research in Russia, since the government and commercial enterprises alike are hostile to such activity. Meanwhile, the world is becoming increasingly dangerous, and Russian Marxists hope that China will not repeat the mistakes made by Russia's leaders. The neoliberal economy, Professor Buzgalin remarked, is no longer able to find answers to the issue of social inequality; only from a Marxist viewpoint is this possible. China has now become the future of socialism, and it is hoped that the country will not repeat the errors committed elsewhere.

Seventh, the congress participants agreed on the great importance of China in promoting the concept of a human community with a shared future. Adham Sayed from Lebanon put forward the view that China's proposal of a community of humankind with a common future is the best gift that could mark the bicentenary of the birth of Karl Marx. The fundamental task involved in building such a community is to construct a new framework for the future. The United States and its underlings started wars in countries including Iraq and Syria, and their intention is to control the whole world. Our priority is now to join together in putting an end to the old world of oppression and deprivation. The logic of imperialist hegemony is to engineer wars and to try to control other countries through imperialist agents. The United States seeks to compel the whole world to accept its dominance and control through the might of the dollar. China faces threats from the imperialist countries every day, as in the case of the South China Sea dispute, but it is a country that stands up to imperialism. The logic of global dominance by a single hegemon no longer holds up, and what China pursues instead is a win-win policy. The real trend within

the world is toward development and progress. Socialism with Chinese characteristics is proving meaningful to people everywhere, and Marxism is demonstrating its vitality. Aleksandr Buzgalin argued that socialism with Chinese characteristics has overcome the shortcomings of the socialist model applied in the Soviet Union. Currently, the world is subject to the global hegemony of capitalism, and we should not fall into the trap represented by this hegemony. In the context of global capitalism, socialist countries should make good use of market mechanisms. Absolute equality cannot be realized in the transitional period of socialism, but beneficial mechanisms can be utilized to reduce inequality. In the forty years since 1978, China has achieved great progress. Socialism develops people's human qualities, and makes life better and more meaningful. The Belt and Road Initiative not only seeks the development of the market, but also stresses environmentally friendly development. The report to the 19th National Congress of the Communist Party of China advocated long-term development and mutual benefits. China is the future of socialism. It is hoped that China will not repeat the Soviet Union's mistakes, and will utilize the economic theories of Marxism to guide its development.

V. The Work of the Compilation and Research Center of *The Documents of Marxism*

The theme of the third sub-forum of the Second World Congress on Marxism was the compilation and study of *The Documents of Marxism*. The latter is the name applied to a major project under way at Beijing University. On May 2, when General Secretary of the Communist Party of China Xi Jinping visited the School of Marxism at Beijing University, he remained for some time outside the offices of the project, and bestowed generous praise on its work.

Professor Gu Hailiang, Director of the Compilation and Research Center of *The Documents of Marxism* at Beijing University, explained how the *Manifesto of the Communist Party*[3] was initially disseminated in China. The name of Marx was first heard in China around 1899, and his portrait was first seen in the country in 1907, when Chinese authorities selected 60 European statesmen, military figures, natural scientists and social scientists, including Marx, for particular study. The earliest dissemination of the *Manifesto of the Communist Party* occurred at Beijing University, and can be traced to 1919 when Hu Shi, a student of the university, translated the first chapter. Under pressure, and fearing that he would not be permitted to graduate, Hu Shi refrained from translating the subsequent chapters.

Chen Hongjuan, Associate Professor at the School of Marxism of East China Normal University, outlined to participants in the sub-forum the mode in which the *Manifesto of the Communist Party* appeared in China during those initial years. A total of 17 articles, dating from between 1899 and 1911, have been found that quote from the *Manifesto of the Communist Party*, with the translated text amounting to only a few words. These early references are to editions in Japanese, English and French. The translators held a wide range of beliefs, and showed no concern for the inherent logic of the *Manifesto*. The target audience consisted mainly of intellectuals, and the translated passages were in classical Chinese, which the general public found difficult to understand.

Song Chaolong expanded on the process through which Marx's ideas entered China. In the final decades of the Qing Dynasty, increasing numbers of people in China were

becoming familiar with elements of Western learning. The Christian Literature Society, composed of Western missionaries and open-minded Chinese students of Confucianism, played an important role. At the same time, Marxist concepts were being introduced to the country. In 1909 a book entitled *Modern Intellectual Development*[4], based on various chapters of Hector Macpherson's *A Century of Intellectual Development*[5] was published by the Commercial Press in Shanghai. Translated by Cornaby, a British missionary, and co-proofread by Xu Weidai and Cao Cenghan, the book ended with an introduction to Marx's economic theories and views on socialism. Features of the book included the following: (1) It elaborated Marxist theory as an aspect of the history of development of modern Western thought; (2) It introduced Marxism from a position of conservative liberalism that included support for constitutional monarchy; (3) It introduced Marxism as one element within a political school that also included anarchism and radical utopianism; (4) It introduced Marxism selectively, with the focus on a critical introduction to the labor theory of value and to the proposal for the equalization of wealth; (5) It sought to provide theoretical support and strategic encouragement for a non-radical revolution centered on a constitutional monarchy; (6) It was haphazard and uncertain in its translation of the basic conceptual terminology of Marxist theory. Although the book thus contained many flaws, it provided a relatively intensive theoretical introduction to Marxist theory for mainstream intellectuals and publishing agencies during the period of constitutionalism at the end of the Qing Dynasty. Reading it today yields important clues, dimensions and points of view for studying the dissemination of Marxism in China.

Professor Wang Baoxiao of Shaanxi Normal University remarked that there are numerous works that, like *The Documents of Marxism,* tell of the early period of the dissemination of the Marxist classics in China. By the 1920s, these classics were already present in the country. As related by Professor Wang, scholars investigating the field had expected to find that the earlier the dates of publication of Marxist texts in China, the easier the work of later researchers would be. Instead, the situation proved more complex. Around 100 years ago, it was discovered, Marxism was dispersed to the Chinese people in various textual forms. In fact, more than 40 books written during this period touched on Marxism, though mostly while addressing different topics.

As part of *The Documents of Marxism* project, Wang Lei, a lecturer at the School of Marxism of Nanjing Normal University, has taken part in the editing of *History of Countries*.[6] A textbook published originally in 1902, *History of Countries* was a positive force in the dissemination of Marxism. Today, we think of the book as simplistic and even misleading, but it still deserves to be valued as a pioneer. The publication of *History of Countries*, its dissemination in China and its effect on young students and intellectuals as a textbook lent significant impetus to the early spread of Marxism in China. As we seek to deepen the impact of Marxism today, we need to broaden our vision to include long-term, wide-ranging studies of the early dissemination of Marx's ideas. During earlier studies in this field, scholars tended to discuss the background to the early dissemination of Marxism in China on the basis of the New Cultural Movement, the October Revolution, the May 4 Movement and other political developments. In recent times, scholars have increasingly insisted on the method of long-term historical research as a way of understanding the dissemination of Marxism over more than a century of the Chinese history. The compiling of *The Documents of Marxism* is in line with this way of thinking.

Xu Yang, Deputy Director of the Department of Compilation and Translation of the Works of Marx, Engels, Lenin and Stalin in the Central Compilation and Translation Bureau, addressed the sub-forum on the compilation and translation in China of *Das Kapital* and its manuscripts. The title of the book *Das Kapital* is known to have been first mentioned in China in 1899. Chinese scholars are said to have translated the first volume in 1902, but no evidence is available to prove this claim. In the 1920s it was possible to read, in Chinese, the preface to the first volume. During the 1930s scholars translated *Das Kapital*, with the sublime goals of seeking truth and helping the nation survive. The translators worked under difficult conditions at a time when the whole of society was shrouded by white terror, and while suffering from a shortage of materials. They set themselves a formidable task. From the very beginning they worked from the German version of *Das Kapital*, while also referring to the English and Japanese versions. They translated rapidly, and the entire work had been published by March 1938. *Theories of Surplus Value* was published in 1949. The translation of *Das Kapital* was a remarkable contribution made to the field of ideas and culture by Chinese revolutionary intellectuals, who gave their wisdom, righteous ardour and even lives for the liberation of the nation and its people.

Xu Wenxing, lecturer at the School of Marxism of the Beijing University of Chemical Technology, discussed the work of Shi Renrong, a translator from Yuyao, Zhejiang province. Shi played an important role in the early dissemination in China of the works of Friedrich Engels, translating Engels's socialist works into classical Chinese. In Shi's version, these works by Engels took on obvious characteristics of Chinese culture both in terminology and content. In translating passages by Engels dealing with collusion between officials and businessmen, with class contradictions, and with conflicts between countries, Shi exercised his subjective initiative as a translator, adding content related to China's historical background. In some cases, his purpose in adding content was to counter the propaganda of anarchism. Shi's translating epitomizes various characteristics of the dissemination of Marxism in China in the early twentieth century. It undoubtedly had limitations, being less accurate and less comprehensive, but those shortcomings can never blot out the contribution it made, or its significance for the early dissemination of Marxism.

Tong Hua, a professor at Beijing University, spoke on the origins of the *Communist Series*[7], of which he is in charge. The *Communist Series* is part of *The Documents of Marxism,* and is one of the book series published by the China Communist Party in order to strengthen the construction of the party and to promote studies of how Marxism has been disseminated in China over the decades since the Party was founded. The *Communist Series* includes four books. These are *The Plan of the Communist Party*[8], *The Constitution of the Bolshevik Party*[9], *Major Topical Issues in the International Labor Movement*[10], and *The Program and Declaration of the Third International.*[11] The *Communist Series* reflects the fresh start made by the Communist Party of China and the emphasis the Party places on study of the Marxist classics and of relevant literature concerning the international communist movement.

Li Hongxia, Associate Dean of the School of Marxism at Beijing Sports University, noted that the successful publication of book by Nikolai Bukharin, *The Plan of Communist Party*, expanded the impact of Marxism in China, and accelerated the process of disseminating Marxism in the country. The book set out many of the requirements for the development of the Chinese revolution, and by inspiring revolutionists to study the theory of

Marxism, made an important contribution to the spiritual enlightenment and level of culture of the early Party.

Ding Xiaoli, Associate Professor of the School of Marxism at China University of Mining and Technology (Beijing), drew attention to the version of *The Program and Declaration of the Third International* translated from English by Cheng Zeren. The translator had accumulated experience of English translation before *The Program and Declaration of the Third International* was introduced into China.

Liu Qinglin from the Compilation and Research Center of *The Documents of Marxism* at Beijing University pointed out that textual comparison of the Japanese and Chinese versions of Marxist writings allows us to gauge the extent to which Chinese translators understood Marxist theory. When Chinese intellectuals encountered Japanese versions of Marxist texts, they tended to Sinicize them as well as rendering them into Chinese; in the process, the works concerned underwent numerous changes. In the early twentieth century, Chinese translators were able to convey the general ideas expressed in the Japanese versions, but they made many errors in matters of detail. At the end of Qing Dynasty, a time when China was in serious crisis and suffering national decline, people were eager to acquire new ideas and knowledge from the West, so that sometimes, texts were translated by people who could not guarantee the quality of their work.

Wang Qian, from the Compilation and Research Center of *The Documents of Marxism* at Beijing University, addressed the role played by anarchism in the dissemination of socialist ideas at the beginning of the twentieth century, arguing that it was anarchists who first spread the doctrines of Marxism to China. Although the anarchists mentioned Marxism only incidentally, and introduced various errors and distortions, their activity had the objective effect of greatly helping Chinese intellectuals to acquire a gasp of socialism. Anarchism shared a range of basic positions with the communism of Marx, and transmitted a set of newly-established revolutionary discourses.

Pei Zhi, from the Compilation and Research Center of *The Documents of Marxism* at Beijing University, singled out one book for comment: *The General Theory of Great Trends in the Nineteenth Century*.[12] Socialism always emerges primarily through discussion of social and labor issues rather than through debate in the field of ideas and philosophy. The people who transmitted socialist concepts did not, in most cases, regard socialism as a scientific theory, but simply as one of a range of possible solutions to the problems that were emerging in capitalist society. Clearly, the socialism unveiled in the book had no particularly strong impact, nor did it conform to the basic principles of scientific socialism.

VI. Conclusion

At the Second World Congress on Marxism, more than 120 foreign scholars shared their viewpoints on the contemporary world and China. Taking a comprehensive view, the congress covered five main topics: financial capital and the crisis of capitalism in the modern world; the dysfunction of neoliberal ideology and politics; the contemporary value of Marxism; the evaluation of and perspectives for Socialism with Chinese Characteristics; and the work of the Compilation and Research Center of *The Documents of Marxism*. The views expressed by the scholars on these topics are enormously meaningful for our understanding of the modern world.

Notes

1. See, Fukuyama (1992).
2. See, Marx (1990).
3. See, Marx and Engels (1969).
4. See, Central Propaganda Bureau of China Communist Party (1909).
5. See, Macpherson (1907).
6. See, Central Propaganda Bureau of China Communist Party (1902).
7. See, Central Propaganda Bureau of China Communist Party (1921a).
8. See, Bukharin (1921).
9. See, Central Propaganda Bureau of China Communist Party (1921b).
10. See, Central Propaganda Bureau of China Communist Party (1921c).
11. See, Central Propaganda Bureau of China Communist Party (1921d).
12. See, Wu 1902.

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